European Window

Flat Price

The Aug Brent flat price saw a positive afternoon starting from $83.00/bbl and rallying up to $84.80/bbl as at 16:40 BST. Much of the upward momentum across markets comes alongside Europe expecting rate cuts in Jun, with seven consecutive months of inflation printing under 3%. Markets further anticipate May figures due on Friday to provide further confirmation that the Eurozone is in a good place. With the U.S. Federal Reserve hinting they need more time to gauge the status of inflation last week, markets are keenly awaiting both inflation figures on Friday alongside the European Central Bank's meeting on June 6th. The market will also be awaiting API stats due today at 21:30 BST and EIA stats due tomorrow at 15:30 BST for further insight into US crude oil inventories. Energy Transfer said on Tuesday it would buy WTG Midstream Holdings in a deal valued at about $3.25 billion, the latest acquisition in the midstream sector aimed at expanding the transportation and processing network in the Permian Basin. Finally, the Aug/Sep and Aug/Feb spreads are $0.42/bbl and $2.90/bbl, respectively.

Crude

Another fairly slow session in Dated, where we saw Jun DFL weaken a touch heading into the window - sold down to -36c as CFD's in the strip were better offered, whilst Jul remained supported at $0.30/bbl with both recovering post window to -$0.29/bbl and $0.33/bbl respectively.

We saw strong selling of 10-14/6 v Cal Jul, sold from -$0.38/bbl to -$0.41/bbl whilst Jun/Jul Dtd was hit at -$0.24/bbl - both bid on as structure found support around these levels. CFD's saw selling from the same aggressors as in the physical, with a British major offering Forties through the curve as well as selling 3-7/6 CFD down to -$0.99/bbl. 10-14/6's were sold down to -$0.64/bbl by European trade house – also active in the physical offering Forties. The front roll 28-31/5 v 3-7/6 trades -$0.35/bbl pre-window, with European trade house buying interest hinted at in the window, although with little activity, whilst 3-7/6 1W also trades -$0.35/bbl last, with buying interest of the 3W and v Cal Jul entering post window.

Fuel Oil

In HSFO, Chinese arbers were buyers of 380 flat price this afternoon. We saw activity down the curve on 380 cracks this afternoon, however interest was mixed with the Jun 380 crack trading between -$4.30/bbl and -$4.25/bbl. 380 spreads were a touch stronger this afternoon, with Jun/Jul 380 buying up to $11.50/mt from $11/mt. There was very little activity on Barge spreads until the window, where the spreads were well bid. The Jun/Jul barge spread began the afternoon at -$1.50/mt, before buying up to -$1/mt at the end of the window, where it remained for the rest of the day. The barge crack was better bid this afternoon, buying up to -$8.35/bbl from -$8.55/bbl earlier on.

The 380 E/W was weaker, with pressure put on by the barge crack strength. Jun 380 E/W opened at $26.75/mt, before selling down to $25.75/mt.

In VLSFO, it was fairly rangebound on a quiet afternoon for the Sing 0.5 crack. The Jun Sing crack opened the afternoon at $8.55/bbl, where the front Sing crack then traded between $8.50/bbl and $8.55/bbl for the rest of the day. It was a similar trend on Sing structure, with Jun/Jul Sing trading at $4.50/mt on this liquidity. Similarly, it was a quiet afternoon on Euro cracks, with Jun Euro crack seeing very little activity apart from MOC hedging at the end of the window, with the front Euro crack trading between $1.95/bbl and $2/bbl. The trend continued onto Euro spreads, with Jun/Jul Euro trading at $1.25/mt on sporadic activity. Jun 0.5 E/W traded at $42/mt intermittently throughout the afternoon.

Distillates

A quiet afternoon in distillates. Kero's strength continued, with the Jun/Jul kero trading up to $0.10/bbl. We saw Regrade better bid through the afternoon, with Q3 trading at -$1.15/bbl. However, with some kero flat price selling we saw a lid on the regrade strength, with Jul trading consistently at -$1.30/bbl. Sing 10ppm cracks were relatively rangebound as Jul Sing cracks traded at $15.52/bbl. The Jun/Jul Sing 10ppm was relatively unchanged, ranged between -$0.01/bbl and flat ($0/bbl).

East/West remained relatively rangebound as the June East/West traded consistently between -$23.75 down to -$24.75/bll over the afternoon & Q3 trading at -$27.75/bbl. The Jun/Jul LSGO spread came off to trade at -$1.90/bbl post window.

Gasoline

This afternoon in gasoline, we saw cracks trade at the end of the afternoon window around $18/bbl in Jun EBOB. Arbs saw scale back selling in Jun this afternoon, up to 8.50c/gal with trade houses on the sell side. We saw spread selling in Jun/Jul EBOB down to $6.75/mt, and more buying in Jul/Sep at $27.50/mt. Q3 cracks saw better selling this afternoon at $16.55/bbl, and more buying in Q1'25 at $8.15/bbl. We saw phys players on the sell side of Q1'25 gasnaphs at $99/mt this afternoon. 92 spreads continued to weaken with Jun/Jul trading down to -$0.30/bbl, and Jul/Aug to $0.05/bbl. E/W saw more buying at -$10/bbl in Q3 this afternoon.

Naphtha

This afternoon in naphtha we saw Jun NWE crack trade up to -$8.40/bbl in Jun, before seeing strong selling in the window from banks and market makers, down to -$9/bbl. E/W saw more buying this afternoon in Jun and Aug, up to $19.25/mt in Jun and $16.50/mt in Aug, with trade houses and phys buying.

We had refiners and end-users lifting naphtha spreads, particularly Jul/Aug at $5/mt and Jun/Jul at $9/mt. With the crack selling, we saw Jun/Jul trade down to $7.25/mt post window. We saw real selling on Cal'25 cracks at -$8.95/bbl. A quieter afternoon for MOPJ spreads, with majors on the buyside of front spreads, with Jun/Aug trading at $15.75/mt.

NGLs

A weaker afternoon on NGLs as US LPG complex weakened on a crude percentage basis after its rally last week. Bids were hit in the physcial at the open, and although offers were then lifted later in the afternoon, a better offered arb saw LST structure soften. The Q3/Q4 LST spread traded down to -2.125c/gal post window while Jun/Jul softened a touch to -0.25c/gal, although deferred spreads saw some support as Q1'25/Q2'25 was well bid by market makers and banks to stay supported at 6.50c/gal. Butane stayed firmer than propane as Jun C4/C3 was implied around 13.625c/gal with the Jun flat price better bid. Internationally, spreads were less volatile than recent days with less buyside interest from DCE players of FEI flat price; FEI Jun/Jul retraced back up to $11/mt but Aug/Sep continued to trade at -$4.50/mt while Jul FEI/CP traded at $55.50/mt. The arb was better offered as Jun LST/FEI traded at -$239/mt although Jul LST/FEI retraced back up to -$227.50/mt from -$228.50/mt.

A quiet window saw no E/W trade in the front although European spreads were bid in decent size as Jul/Nov NWE traded at -$16/mt.